

ARROW GEAR COMPANY

171257

January 28, 1993

To: J. L. Arvin
J. E. Pielsticker
E. D. Kauzlarich
W. J. Cidlik

cc: M. Cervinka

From: H. Hartzell

Subject: Cost to Close Underground Storage Tank Pit

Met with Paul Mankoff, Vice President of Mankoff Equipment, Inc., to discuss the final closing of the U.S.T. Pit and a rough estimate of cost. The following figures are based on 100 cu.ft. of contaminated soil.

Landfill Disposal Fee @ \$68.50 per Cubic Yard	\$6,850.00
Machine/Operator for Excavation of Contaminated Soil -- 4 Hours @ \$135.00 per Hour	\$ 540.00
Special Waste Truck Fee @ \$386.00 per Truck for Transporting to Landfill -- 7 Loads	\$2,702.00
Labor Rate -- \$55.00 per Hour @ 4 Hours	\$ 220.00
Foreman Rate -- \$85.00 per Hour @ 4 Hours	\$ 340.00
Soil Samples for Analysis -- 6 @ \$369.00 each	\$2,214.00
Geologist and P.E. to be On-Sight and also to File 20-Day and 45-Day Reports along with Tank Closure Report	\$2,500.00
One-time Landfill Soil Acceptance Analysis	<u>\$ 389.00</u>
TOTAL	\$15,755.00

Contaminated soil remediation payment terms will be handled on an escrow account basis. Mankoff Equipment, Inc. will establish an escrow account at its expense at Chicago Title & Trust. Co. An estimated total project cost will be funded by purchaser to the account from which Mankoff will draw payments. The amount requested for Arrow Gear would be \$20,000.00 and Mankoff can only draft when given a draft order from Arrow. Amount remaining in account would return to Arrow.

The Government (through EPA) will submit cost reimbursement forms for this project. The reimbursement would cover everything over \$10,000.00 on the cost of the project. Will evaluate this possibility further and report later.

We are responsible for hiring the third party geologist for this project who will officially close the pit and report to the E.P.A. I have a list of qualified firms who have geologists and professional engineers for this project and have already started making contacts for this person.

The above information is to inform you of the financial impact this project will have. We have not discussed hiring the general contractor or to be our own general contractor. This is basically what outside contractors will charge and how it will be handled.

HH:eu